

**GENERAL QUESTIONS ON SEIZED PROPERTY SALES:**  
**(May not apply to Acquired Property and Judicial Sales)**

**Does the government provide financing for the purchase?**

The government does not provide any form of financing, and the form of payment and amount of the bid must comply with the Terms of Payment as stated on the Notice of Public Auction Sale.

**What is an encumbrance?**

An encumbrance is something that attaches to the asset, be it a loan on a car, a mortgage on a house, a judgment or a tax lien. For each sale, the auctioneer creates a Notice of Encumbrances (Form 2434-B) which lists out what possible encumbrances were found during our research. While we can not guarantee its accuracy, it is a good faith search in an effort to provide the bidder with the information.

**What happens to the encumbrances or liens, (IRS, etc.) if I am the successful bidder?**

Any encumbrance that is recorded prior to the IRS Tax Lien remains upon the property and must be dealt with by the purchaser at an Internal Revenue Service seized property sale. The encumbrances that are recorded after the IRS Federal Tax Lien are discharged from the property upon the issuance of a certificate of sale or, in the case of real property, a deed to the property. The IRS Federal Tax Lien is discharged from the particular property sold at the same time.

**Can I get on the mailing list?**

There is no special mailing list at this time. To view all auctions, present and upcoming, visit our web site.

**What if the asset, car, etc. breaks after I purchase it?**

All property is offered for sale "where is" and "as is" and without recourse against the United States. No guaranty or warranty, expressed or implied, is made as to the validity of the title, quality, quantity, weight, size or condition of any of the property, or its fitness for any use or purpose. No claim will be considered for allowance or adjustment or for rescission of the sale based on failure of the property to conform with any expressed or implied representation.

**Why doesn't the Internal Revenue Service take personal checks, credit cards or Bank Letters of Guarantee at their sales.**

As per the Internal Revenue Code, all payment for property sold must be in the form of Cash, Certified, Cashier's, or Treasurer's check drawn on any bank or trust company incorporated under the laws of the United States or under the laws of any State or possession of the United States. Payment may also be made by any United States postal, bank, express, or telegraph money order made out to the United States Treasury.

**Since the Internal Revenue Service can only accept cash or certified funds at their auctions, how can I bring certified funds if I don't know how much the property will sell for, or if I will be the successful bidder?**

At single item sales, many bidders will bring a cashier's check made out to themselves, in the amount of their intended bid. In addition, bidders will also bring cash to make up any difference between the amount of the cashier's check and the winning bid. At large lot sales, bidders often bring several cashier's checks made out to themselves to cover multiple possibilities. For example, a bidder may bring one cashier's check for \$5,000, two checks for \$2,500, and one check for \$1,000. Any checks not used can be redeemed at your bank by you. And we usually have the ability to make change to some degree. Of course, other amounts and scenarios may apply.

**What type of sale is it and how is it conducted?**

The Internal Revenue Code requires that seized property be sold by Public Auction or Sealed Bid Auction. Either way, the auction is open to the public and bidding and rules conducted by an auctioneer (usually a Property and Liquidation Specialist with the IRS). At the end of the bidding process or the opening of the sealed bids, the highest recorded bid will be awarded the property being auctioned. Potential bidders would be best prepared by requesting a copy of the Notice of Public Auction or Notice of Sealed Bid Auction and perusing same for instructions and requirements for that specific sale. A copy of Notice of Sale can be reviewed on our Web Site.

**Can I mail in a Bid?**

While a mail-in bid is a courtesy to those that can not attend a physical auction, it is not present for every sale. The conditions set forth on a mail-in bid are spelled out on the bid form. Most IRS auctions will allow some form of mail-in-bid, but it would behoove a potential bidder to obtain a copy of the Notice of Sale for instructions and limitations.

**Why do I need to obtain a Copy of the Notice of Sale?**

Any auction may differ in one way or another. The Notice of Sale will give the potential bidder all the necessary information to begin to make an educated bid on the property in question. It will describe the property, tell you if there is a minimum bid to be met, where to send a sealed bid and if mail-in-bids are allowed. Most

importantly, the Notice of Sale will provide you with a point of contact for any information needed to assist you in making your decision.

## **REAL ESTATE**

### **Do I get clear and insurable title?**

All property is offered “As is” and “Where is” with no guarantee or warranty, expressed or implied. We provide information about known encumbrances against or other interest in the property offered on Form 2434-B. We do not warrant the correctness or completeness of this information and it is provided solely to help prospective bidders determine the value of the interest being sold. Prospective purchasers should exercise due diligence when bidding on property. All realty that is sold by the Internal Revenue Service is conveyed by Quit-Claim Deed. Contact the PALS to determine if a third party title search was secured.

### **If I am the successful bidder, is the property then owned by me to do as I wish?)**

According to the Internal Revenue Code, Section 6337 the following individuals have the right to redeem the property at any time within 180 days after the date the successful bid is accepted by the IRS:

- The owners, the heirs, executors, or administrators of the owners,
- Any person having any interest in the property,
- Any person having a lien interest in the property,
- Any person on behalf of those listed above.

### **During the 180 day redemption period, may I collect rent, evict tenants or move onto the property?**

The taxpayer and others of interest have a right to redeem the property and any action is dependent upon state law. Therefore, you should contact an attorney or legal representative for this type of advice.

### **Will I be paid for any expenses on the property that I expend during the 180 day redemption period if the property is redeemed?**

The law requires only that for cash sale, the property or tract of property may be redeemed upon payment to the purchaser of the amount paid by the purchaser plus interest at the rate of 20 percent annually.

### **What happens after the 180 day redemption period? What kind of deed and when will I receive it?**

The Internal Revenue Code Section 6338(b) provides that whenever real property is not redeemed within the 180 day period, the purchaser, or his/her assign, will be issued a deed (usually a Quit-Claim Deed) upon surrender of the Certificate of Sale. The deed will be in accordance with the laws of the state in which the real property is situated pertaining to sales of real property under execution.

**Can I negotiate to buy seized property from the Internal Revenue Service before the auction?**

No. The Internal Revenue Code section 6335 requires that the sale be conducted either by public auction or by public sale under sealed bids. The law does not allow the Internal Revenue Service to bypass the auction or sealed bid processes.

**What other fees do I have to pay the Internal Revenue Service at the auction in addition to my successful bid?**

Unlike many other auctions, the IRS does not charge or add on any buyer's premium at our sales.